

ST. TAMMANY PARISH CORONER
LACOMBE, LOUISIANA
ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUL 16 2014**

Submitted by:
St. Tammany Parish Coroner

**ST. TAMMANY PARISH CORONER
ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDING DECEMBER 31, 2013**

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INDEPENDENT AUDITOR'S REPORT

To the Coroner
St. Tammany Parish Coroner, Louisiana
Lacombe, Louisiana

We were engaged to audit the accompanying financial statements of the governmental activities and the General Fund of the St. Tammany Parish Coroner's Office (the "Coroner"), component unit of St. Tammany Parish Council, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Coroner's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions.

Basis for Disclaimer of Opinions

We were unable to obtain written representations from management of the Coroner's as required by generally accepted auditing standards and *Government Auditing Standards*. The interim Coroner did not want to assume responsibility for the period under the predecessor Coroner. In addition, we were unable to obtain sufficient appropriate audit evidence surrounding capital assets.

Disclaimer of Opinions

Because of the significance of the matters described in the Basis for Disclaimer of Opinions paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a

basis for audit opinions. Accordingly, we do not express opinions on the financial statements referred to in the first paragraph.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and the budgetary comparison information that accounting principles generally accepted in the United States of America, require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our disclaimer of opinions on the basic financial statements are not affected by the missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2014, on our consideration of the Coroner's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coroner's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, LLC

Metairie, Louisiana

April 25, 2014

BASIC FINANCIAL STATEMENTS

ST. TAMMANY PARISH CORONER, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2013

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 1,475,142
Receivables, net	247,177
Prepaid expenses	81,072
Capital assets not being depreciated	1,401,220
Capital assets being depreciated, net of accumulated depreciation	9,071,973
TOTAL ASSETS	\$ 12,276,584
LIABILITIES	
Accounts payable	\$ 145,495
Accrued payroll expense	148,072
Due to employees	29,230
Accrued compensated absences- due within one year	263,601
TOTAL LIABILITIES	586,398
NET POSITION	
Invested in capital assets	10,473,193
Unrestricted	1,216,993
TOTAL NET POSITION	\$ 11,690,186

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Health and Welfare	\$ 5,110,838	\$ 261,360	\$ 12,213	\$ -	\$ (4,837,265)
Payments to primary government	6,095,108	-	-	-	(6,095,108)
Total	<u>\$ 11,205,946</u>	<u>\$ 261,360</u>	<u>\$ 12,213</u>	<u>\$ -</u>	<u>(10,932,373)</u>
General Revenues:					
Intergovernmental					\$ 32,373
Interest					70,170
Other					16,563
Total General Revenues					<u>119,106</u>
Change in net position					(10,813,267)
Net position - beginning of year					<u>22,503,453</u>
Net position - end of year					<u>\$ 11,690,186</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2013

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,475,142
Receivables:	
Grant receivable	107,004
Due from other governmental entities	68,849
Public employee retirement system receivable	71,324
Prepaid items	81,072
TOTAL ASSETS	<u><u>\$ 1,803,391</u></u>
LIABILITIES AND FUND BALANCE	
Accounts payable	\$ 145,495
Accrued payroll expense	148,072
Due to employees	29,230
Deferred revenues	107,004
TOTAL LIABILITIES	<u><u>429,801</u></u>
Fund Balance:	
Nonspendable	81,072
Unassigned	1,292,518
TOTAL FUND BALANCE	<u><u>1,373,590</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,803,391</u></u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2013

Fund Balances - Governmental Fund	\$ 1,373,590
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	
Governmental capital assets	12,582,824
Less: accumulated depreciation	(2,109,631)
Deferred revenue is reported in the governmental funds but not in governmental activities	107,004
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental fund	<u>(263,601)</u>
Net Position of Governmental Activities	<u><u>\$ 11,690,186</u></u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Year Ended December 31, 2013

	<u>General Fund</u>
REVENUES	
Traffic fines and court fees	\$ 32,373
Charges for services	261,360
Federal grants	434
Interest income	70,170
Other income	16,563
Total Revenues	<u>380,900</u>
EXPENDITURES	
Health and welfare	
Personnel services	2,106,688
Operating services	2,155,406
Materials and supplies	423,319
Capital outlay	45,522
Total Expenditures, excluding payments to primary government	<u>4,730,935</u>
Payments to primary government	<u>6,095,108</u>
Total Expenditures	<u>10,826,043</u>
Deficiency of expenditures over revenues	(10,445,143)
Fund Balance, Beginning of Year	<u>11,818,733</u>
Fund Balance, End of Year	<u><u>\$ 1,373,590</u></u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Deficiency of expenditures over revenues - Governmental Fund	\$ (10,445,143)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Reversal of deferred revenue	11,779
Capital assets:	
Capital outlays capitalized	45,522
Depreciation expense	(434,017)
Long-term debt:	
Decrease in compensated absences	<u>8,592</u>
Changes in Net Position of Governmental Activities	<u><u>\$ (10,813,267)</u></u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Tammany Parish Coroner, Louisiana, (the "Coroner") have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Coroner's accounting policies are described below.

A. REPORTING ENTITY

As provided by Chapter 3 of Title 33 of the Louisiana Revised Statutes of 1950, the voters of St. Tammany Parish (the "Parish") elect the Coroner for a four-year term. The Coroner investigates all deaths, performs autopsies, furnishes death certificates, provides protective custody services and examines other cases for other crimes under police investigation.

Louisiana Revised Statute 13:5724 effective on June 18, 2007 gave the elected Coroner of the Parish sole responsibility for the fiscal operations of the Coroner, including all salaries or fees associated with the operation of the Coroner, all expenses for the construction, maintenance, operation, and equipment of the property and facilities of the Coroner; and all other expenses, fees, and operational costs of the Coroner.

During 2013, State legislators enacted LA R.S. 13:5725 and repeal LA R.S. 13:5724. The Statute states the governing authority of the Parish shall receive all tax revenues collected from the ad valorem tax levied by the Parish for the Coroner purposes. The Coroner shall transfer any and all funds on hand received from the ad valorem tax to the governing authority of the Parish except amounts needed for operation for the remainder of the 2013 fiscal year, with the amount being determined by the Parish finance department. Any contracts or purchase agreements entered into by the Coroner will require approval or ratification by the governing authority of the Parish. The governing authority shall also establish an annual salary for the Coroner, deputy or assistant coroners, secretaries, stenographers, clerks, technicians, investigators, official photographers, or other employees. The Coroner shall not own or acquire immovable property. Any and all immovable property, including building, component parts and other appurtenances, previously owned by the Parish and transferred to the Coroner shall be transferred to the governing authority of the Parish free and clear of all mortgages, liens, or other encumbrances within six months of June 7, 2013. Within six months of June 7, 2013, the Coroner and the governing authority of Parish will enter into a restated cooperative endeavor agreement. As of the date of the financial statements were available to be issued, the Coroner has not transferred its immovable nor finalized a new Cooperative Endeavor Agreement although negotiations are on-going.

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The component-unit financial statements of the Coroner include the General Fund and activities that are within the oversight responsibility of the Coroner as an independently elected Parish official. As an independently elected Parish official, the Coroner is responsible for the operations of his office under the oversight of the St. Tammany Parish Council per LA R.S. 13:5725 effective June 7, 2013. Accordingly, the Coroner is a separate governmental reporting entity. Certain units of local government, over which the Coroner exercises no oversight responsibility such as the Parish Council, Parish School Board, other independently elected Parish officials, and municipalities within the Parish, are excluded from the accompanying component unit financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Coroner.

As the governing authority of the Parish, for reporting purposes, the St. Tammany Parish Council (the "Council") is the financial reporting entity for Parish. The financial reporting entity consists of (a) the primary government (Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the Coroner's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, as amended, established criteria for determining which component units should be considered part of the Parish for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

- a) Appointing a voting majority of an organization's governing body, and the ability of the Council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burden on the organization;
- b) Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council, along with a financial benefit or burden relationship.
- c) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Coroner was determined to be a component unit of the Parish, the reporting entity, because the reporting entity's financial statements would be misleading if data of the Coroner was not included due to the significance of the relationship and scope of public

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

services. The accompanying financial statements present information only on funds maintained by the Coroner and do not present information on the Parish, the general government services provided by the Parish, or other governmental units that comprise the financial reporting entity. Bond funds are not maintained by the Coroner; therefore, should not be included in the financial statements of the Coroner. The Parish has levied an ad valorem tax for the purpose of providing funding for the Coroner Office, including constructing, acquiring, improving, operating and maintaining facilities and equipment thereof. The Parish issued Limited Tax Revenue Bonds secured and payable from the Coroner Tax for the purpose of construction, acquiring and improving facilities and equipment for the Coroner and paying the costs incurred in connection with the issuance of the Bonds.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Coroner. The governmental activities are supported by intergovernmental revenues, service fees, and other non-exchange transactions.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services, which are revenues from the exchanges or exchange like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Intergovernmental and other items not properly included among program revenues are reported instead as general revenues.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues are recognized as revenues in the year for which they are received from St. Tammany Parish. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Coroner considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The Coroner reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Coroner. This fund is used to account for all financial transactions and resources. Revenues are derived primarily from intergovernmental revenues, state and federal grants, traffic fines and court fees, charges for services, and interest income.

Amounts reported as program revenues include charges for services, which are revenues from exchange or exchange-like transactions with external parties that purchase, use or directly benefit from the program's goods, services, or privileges. Likewise, general revenues include all intergovernmental revenues.

D. BUDGETARY ACCOUNTING

The Coroner follows these procedures in establishing the budgetary data:

1. The budgeting process should begin approximately 90 to 120 days before the beginning of the new year being budgeted.
2. Before the adoption of the budget, the budget must be made available for public inspection.
3. Conduct a public hearing on the proposed budget.
4. The budget is adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the St. Tammany Parish Council.
5. Budgets are amended as necessary at the end of the year during a public meeting.

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

The Coroner is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana; the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by United States.

F. ACCOUNTS RECEIVABLE

The financial statements of the Coroner contain no allowance for doubtful trade receivables. Uncollectible trade receivables, including amounts due from other government units, are charged directly against earnings when they are determined to be uncollectible. Management is of the opinion that there will be no material losses on the collection of accounts receivables.

G. CAPITAL ASSETS

Capital assets, which include property, equipment, and furniture and fixtures, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost, if historical costs are not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Coroner maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements; to the extent that the Coroner's capitalization threshold is met. In accordance with GASB Statement No. 34, the Coroner has elected to not capitalize infrastructure retroactively. Depreciation is recorded on capital assets on a government-wide basis and depreciated over their estimated useful lives on a straight-line basis.

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Description</u>	<u>Asset Life in Years</u>
Building	40
Transportation Equipment	3 to 5
Equipment and Fixtures	3 to 15
Furniture and Fixtures	5 to 15
DNA Equipment	5 to 20

H. COMPENSATED ABSENCES

Coroner employees are allowed to carry over all vacation and sick leave. At termination, employees are paid for all vacation and sick accumulated. Dates have been established for approved payout requests each quarter for current employees. The amount of accumulated annual leave payable in the government-wide financial statements at December 31, 2013, is \$263,601. However, no formal policy regarding compensated absences existed as of December 31, 2013.

I. NET POSITION CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - this classification consists of net position that do not meet the definition of "restricted" or "invested in capital assets".

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. FUND BALANCE

On January 1, 2011, the Coroner adopted GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which significantly changed the reporting of fund balance in the balance sheets of governmental type funds. In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Coroner is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

1. Nonspendable - This component includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation does not authorize the Coroner to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
3. Committed - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Coroner's highest level of decision making authority which includes resolutions of the Coroner. Those committed amounts cannot be used for any other purpose unless the Coroner removes or changes the specified use by taking the same type of action (resolution); it employed previously to commit those amounts.
4. Assigned - This component consists of amounts that are constrained by the Coroner's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Coroner.
5. Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund.

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

L. PENSION PLAN, VACATION, AND SICK LEAVE POLICIES

The Coroner contributes to a pension plan for its fulltime employees (Note 7). Full time, permanent employees are granted paid time off benefits based on years of service. The Coroner's policy is to allow employees to accumulate an unlimited amount of vacation and sick leave. Upon termination of service, employees are paid for unused leave. Dates have been established for approved payout requests each quarter for current employees. The estimated portion of the liability for vested vacation and sick leave benefits is recorded as an expenditure in the General Fund as time is used or cashed out. The long term liability is recorded on the Statement of Net Position.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. The Coroner was in compliance with the deposit and investment laws and regulations as of December 31, 2013.

Budget Compliance

For the year ended December 31, 2013, the General Fund's actual revenues failed to meet projected final budgeted revenues by \$4,306,735. The Coroner was in violation of Louisiana State Budget Law which prohibits governmental entities from failing to meet projected revenues by five percent or more.

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 3 - CASH AND CASH EQUIVALENTS

The Coroner's deposits are categorized as follows at December 31, 2013:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 1,475,142	\$ 1,554,681
	<u>\$ 1,475,142</u>	<u>\$ 1,554,681</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Coroner's deposits may not be returned to the Coroner. As of December 31, 2013, \$1,304,681 of the Coroner's bank balance was exposed to custodial credit risk.

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2013 is as follows:

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,401,220	\$ -	\$ -	\$ 1,401,220
Total Capital Assets not being depreciated:	1,401,220	-	-	1,401,220
Capital assets being depreciated:				
Transportation equipment	291,535	-	-	291,535
Buildings	8,414,987	-	-	8,414,987
Equipment and fixtures	1,107,064	43,882	-	1,150,946
Furniture and fixtures	197,741	-	-	197,741
DNA equipment	1,124,755	1,640	-	1,126,395
Total capital assets being depreciated:	11,136,082	45,522	-	11,181,604
Less accumulated depreciation for:				
Transportation equipment	274,007	5,093	-	279,100
Buildings	82,882	239,156	-	322,038
Equipment and fixtures	679,846	87,133	-	766,979
Furniture and fixtures	51,110	26,513	-	77,623
DNA equipment	587,769	76,122	-	663,891
Total capital assets being depreciated:	1,675,614	434,017	-	2,109,631
Total capital assets being depreciated, net:	9,460,468	(388,495)	-	9,071,973
Total governmental activities capital assets, net:	<u>\$10,861,688</u>	<u>\$ (388,495)</u>	<u>\$ -</u>	<u>\$10,473,193</u>

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 5 – DUE TO/FROM OTHER GOVERNMENTAL UNITS

The Coroner performs autopsies and protective custody services for other Parishes within the State of Louisiana. The Coroner also receives an allocation of traffic fines and court fees from the St. Tammany Parish Sheriff. The amount owed to the Coroner from other governmental entities as of December 31, 2013 was \$68,849.

NOTE 6 – CONTINGENT LIABILITIES

At December 31, 2013, the Coroner was named as a defendant in a law suit which arose in the normal course of its operations. In addition, at December 31, 2013, the Coroner was named a defendant in a lawsuit for breach of contract. The Coroner intends to vigorously defend itself against these claims. An outcome of any estimate of loss cannot be readily determined at this time. At December 31, 2013, there was no pending litigation or potential undisclosed liabilities, which, in the opinion of the Coroner, would have had a material adverse effect on the financial statements.

NOTE 7 – PENSION PLAN

Substantially all employees of the Coroner are members of the Parochial Employees Retirement System of Louisiana (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Coroner are members of Plan A.

All permanent employees working at least 28 hours per week whom are paid wholly or in part from parish funds and all elected Parish officials are eligible to participate in the System.

The retirement allowance is equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 months' salary for members hired prior to January 1, 2007. For members hired on January 1, 2007 or later, final average compensation shall be defined as the average of the highest consecutive 60 months' salary.

Any employee who was a member of the supplemental plan prior to the revision date of January 1, 1980 has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of the member's final salary or the final average compensation. The System also provides death and disability benefits. Benefits are established by state statute.

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 7 – PENSION PLAN (CONTINUED)

Eligibility of Benefits Available:

Members hired prior to January 1, 2007		Members hired after January 1, 2007	
<u>Years</u>	<u>Age</u>	<u>Years</u>	<u>Age</u>
7	65	7	67
10	60	10	62
25	55	30	55
30	any age		

The payroll for employees of the Coroner was \$1,602,322, \$1,785,640, and \$1,769,608, and payroll covered by the System was \$1,409,311, \$1,770,559, and \$1,725,179 for each of the years ended December 31, 2013, 2012, and 2011, respectively.

In addition to certain dedicated taxes that are remitted to the System, (which constitute major funding of the System) covered employees are required by state statute to contribute 9.50% of gross salary. The Coroner added an employer's match of 16.75% and 15.75% for the years ended December 31, 2013 and 2012, respectively.

The contributions for each of the years ended December 31, 2013, 2012, and 2011 were \$369,945, \$447,066, and \$435,608, of which \$133,885, \$168,203, and \$163,892, were contributed by employees and \$236,060, \$278,863, and \$271,716 were contributed by the Coroner, respectively. The Pension contributions were overstated in 2013, 2012, and 2011 by \$71,324. The Coroner has recorded a receivable associated with this overpayment as of December 31, 2013.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained in writing to the Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619.

NOTE 8 – COOPERATIVE ENDEAVOR AGREEMENT

As of December 31, 2013, no cooperative endeavor agreement has been entered into between the Coroner and the St. Tammany Parish Government.

LA R.S. 13:5724 was repealed and replaced with LA R.S. 13:5725 effective June 7, 2013. The new statute states the governing authority of the Parish shall receive all tax revenues collected from the ad valorem tax levied by the Parish for the Coroner purposes. The Coroner shall transfer any and all funds on hand received from the ad valorem tax to the governing authority of the Parish except amounts needed for operation for the remainder of the 2013 fiscal year, with the amount being determined by the Parish finance department. Any contracts or purchase agreements entered into by the Coroner will require approval or ratification by the governing authority of the Parish. The governing authority shall also establish an annual salary for the Coroner, deputy or assistant coroners, secretaries, stenographers, clerks, technicians,

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 8 – COOPERATIVE ENDEAVOR AGREEMENT (CONTINUED)

investigators, official photographers, or other employees. The Coroner shall not own or acquire immovable property. Any and all immovable property, including building, component parts and other appurtenances, previously owned by the Parish and transferred to the Coroner shall be transferred to the governing authority of the Parish free and clear of all mortgages, liens, or other encumbrances within six months of the effective date of June 7, 2013. Within six months of the effective date of June 7, 2013, the Coroner and the governing authority of Parish will enter into a restated cooperative endeavor agreement.

NOTE 9 – OPERATING LEASES

The Coroner leases copier equipment for a period of 48 to 60 months. Future minimum lease payments due under these leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2014	\$ 13,128
2015	12,359
2016	6,948
2017	4,335
	<u>\$ 36,770</u>

Total payments charged to copier lease expense for the year ended December 31, 2013 was \$18,351.

During the year ended December 31, 2013, three storage units are leased on a month-to-month basis. Therefore, there are no future minimum payments notes.

NOTE 10 – COMPENSATED ABSENCES

During 2008, the Coroner adopted a new policy for calculating compensated absences. All full-time, permanent employees, including the Coroner, earn vacation and sick leave, per year, depending on the length of service with the Coroner. An unlimited amount of vacation and sick leave may be carried forward to the next calendar year. Upon termination, earned vacation and sick leave are paid to the employee at the employee's current rate of pay. Dates have been established for approved payout requests each quarter for current employees. Employees earn vacation and sick leave based on the following tables, per pay period:

<u>Years of Service</u>	<u>Earned Vacation</u>	<u>Earned Sick</u>
1 to 3	3.41 hours	3.41 hours
3 to 10	5.59 hours	5.59 hours
10 and over	6.28 hours	6.28 hours

ST. TAMMANY PARISH CORONER, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

NOTE 10 – COMPENSATED ABSENCES (CONTINUED)

The cost of compensated absences, which includes earned vacation and sick leave, are recognized as current year expenditures in the General Fund when leave is actually taken, or when employees are paid for accrued leave. No liability is recorded in the General Fund for accrued compensated absences.

The summary for compensated absences is as follows:

<u>Balance</u> <u>12/31/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Due within</u> <u>One Year</u>
\$ 272,193	\$ 154,284	\$ 162,876	\$ 263,601	\$ 263,601

NOTE 11 – ACCOUNTS PAYABLE

Currently, there is an unknown payable owed to the Orleans Parish Coroner's office which is not reflected in the accompanying financial statements as of December 31, 2013. Management believes the total amount owed is not material to its overall financial statements.

NOTE 12 – DEFERRED REVENUES

General Fund	
FEMA Disaster Assistance	\$ 95,225
Paul Coverdell National Forensic Sciences Improvement Act	11,779
Total General Fund	<u>107,004</u>
Paul Coverdell National Forensic Sciences Improvement Act recognized as revenue on the Government-wide	(11,779)
FEMA Disaster Assistance recognized as revenue on the Government-wide in prior year	<u>(95,225)</u>
Total Government Wide	<u>\$ -</u>

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 25, 2014, and identified the following subsequent events to be disclosed:

On February 12, 2014, the Federal court sentenced the former Coroner of St. Tammany Parish to pay at least \$193,388 in restitution to the Coroner's office. Due to uncertainty, no receivable has been accrued in the accompanying financial statements as a result of this sentencing.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Coroner
St. Tammany Parish Coroner, Louisiana
Lacombe, Louisiana

We were engaged to audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of St. Tammany Parish Coroner, (the "Coroner") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Coroner's basic financial statements and have issued our report thereon dated April 25, 2014. In our report on the financial statements, we disclaimed opinions because we were unable to obtain written representations from management and reported that we were unable to obtain sufficient, appropriate audit evidence surrounding capital assets.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Coroner's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coroner's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coroner's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Coroner's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses, 2013-01, 2013-02, 2013-03, and 2013-07.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be significant deficiency, 2013-04.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coroner's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-05, 2013-06, 2013-07, 2013-08, and 2013-09.

St. Tammany Parish Coroner's Response to Findings

Coroner's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Coroner's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Coroner's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coroner's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, LLC

Metairie, LA
April 25, 2014

ST. TAMMANY PARISH CORONER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

A. SUMMARY OF AUDIT RESULTS

Financial Statements

1. Type of auditor's report issued	Disclaimer
2. Internal control over financial reporting:	
a. Material weakness identified	Yes
b. Significant deficiencies identified not considered to be material weaknesses	Yes
c. Noncompliance material to the financial statements noted	Yes

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2013-01 COMPENSATED ABSENCES AND PAYROLL

Criteria: The Coroner's Office does not have a complete, written policy surrounding compensated absences.

Condition: During 2013, one employee received cash payouts, while their balance was already negative. Two different employees received the benefits of being a full time employee. Additionally, we noted the following related to payroll and benefits:

- Management does not have a complete, written policy surrounding compensated absences that defines who is entitled to the benefits;
- Historical data was not properly maintained; therefore, only vacation/sick forms subsequent to 2006 are available;
- There is no limit to vacation/sick rollover;
- In some instances, the vacation form was completed after the time off was used;
- Management has no formal plans to collect the excess funds disbursed to the employee that was not entitled them. This employee is no longer employed with the Coroner's Office;
- One employee received sick and vacation benefits as a part time employee during 2013. While no cash payouts were taken, the employee was paid for time off;
- Another employee received sick and vacation benefits as a part time employee during 2013;
- No time sheets were provided; and
- Several paystubs could not be provided.

Cause: Management lacks complete, written policies surrounding compensated absences.

Effect: Due to the limitation of historical data and lack of policies, there is not sufficient audit evidence to support the balance of compensated absences without making assumptions. In

ST. TAMMANY PARISH CORONER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2013

addition, due to the lack of policies in place, employees have received benefits they do not appear to be entitled to.

2013-02 INTERNAL CONTROLS OVER FIXED ASSETS

Criteria: The Coroner did not properly follow their capitalization threshold of \$500. As a result, several expenses should have been capitalized and were not initially. In addition, the Coroner does not tag all equipment; therefore, making a physical inspection of equipment difficult.

Condition: We noted several errors that cumulatively indicated a weakness in internal accounting controls regarding the accounting of the Coroner's fixed assets. We noted the following matters:

- Fixed assets were not added to the fixed asset listing properly.
- During our physical inspection of assets we were unable to document several assets existence.
- An annual fixed asset observation is not performed.
- Fixed assets that were no longer in service are still on the fixed asset listing being depreciated.

Cause: The accounting errors primarily occurred due to a limited knowledge of pertinent accounting standards.

Effect: Fixed asset balances on the government-wide financial statements could be misstated.

2013-03 MISSTATEMENT OF CASH

Criteria: Three cash accounts on the Coroner's financial statements have the St. Tammany Parish Governments federal tax identification number.

Condition: After the Coroner resigned from his position, St. Tammany Parish and the Coroner closed all deposit accounts and reopened three accounts under the St. Tammany Parish's federal tax identification. Therefore these account balances are not assets of the Coroner.

Cause: The Coroner was unaware of the transfer of funds to the St. Tammany Parish's federal tax identification number.

Effect: Cash balances were not being accounted for in accordance with Generally Accepted Accounting Principles.

ST. TAMMANY PARISH CORONER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2013

2013-04 PREPAID INSURANCE

Criteria: In accordance with Generally Accepted Accounting Principles, insurance expense should be expensed equally throughout the life of the policy.

Condition: We noted during our testing that management did not adjust prepaid insurance. They currently purchase insurance policies throughout the year and expense the entire policy amount at the time of the purchase.

Cause: The Coroner had a change in accounting personal.

Effect: The prepaid insurance balance could be misstated.

2013-05 BUDGET VARIANCE

Criteria: Louisiana Revised Statute 39:1311 requires governments to amend their budgets when actual revenues are failing to meet budgeted revenues by 5 percent.

Condition: We noted actual revenues of \$380,900 failed to meet budgeted revenues of \$4,687,635 by \$4,306,735 or 91.87 percent of budgeted revenues.

Cause: The budget was produced on a cash basis prior to the change in the law which in turn changed the timing of revenue recognition while the General Fund is on the modified accrual basis of accounting.

Effect: The Coroner is not in compliance with Louisiana State Law.

2013-06 COOPERATIVE ENDEAVOR AGREEMENT

Criteria: Louisiana Revised Statute 13:5725 requires the Coroner and St. Tammany Parish to enter into a cooperative endeavor agreement within six months of June 7, 2013. Additionally, the Coroner cannot own or acquire immovable property, while all immovable property currently owned by the Coroner, including the building, will be transferred to the St. Tammany Parish free and clear of all mortgages, liens, or other encumbrances within six months of June 7, 2013.

Condition: The Coroner has not signed a cooperative endeavor agreement with St. Tammany Parish and has not transferred the building into the Parish's name.

Cause: The Coroner and St. Tammany Parish have not come to an agreement on all matters to successfully sign a cooperative endeavor agreement.

Effect: The Coroner is not in compliance with Louisiana State Law.

ST. TAMMANY PARISH CORONER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2013

2013-07 Gas Cards

Criteria: Gas cards were designed to be designated to a specific vehicle, located inside the vehicle. The cards are designed to input the current mileage of a vehicle every time before gas is purchased which provides a way to track consummation of gasoline. There is a log sheet in which employees must sign out a vehicle.

Condition: There is an overall lack of or inadequate documentation of gas card usage. We observed during our testing, the Coroner's gas cards are available to all employees and there are no controls over the cards. During our testing of gas cards, not all gas cards were accounted for. We also noted six purchases of premium or diesel gas in which the vehicle does not take premium or diesel gas. We noted numerous instances in which either no mileage was input or the mileage was input incorrectly. We also noted the log sheet not being properly filled out.

Cause: This error primarily occurred due to a change in management which was focused on other critical non-accounting responsibilities.

Effect: Gas cards (and therefore public monies) can be misappropriated without the proper controls in place.

2013-08 Louisiana Compliance Questionnaire and State Data Collection Form

Criteria: A signed copy of the Louisiana Compliance Questionnaire and State Data Collection Form must be provided to the Louisiana Legislature Auditor.

Condition: Management was unable to provide a completed and signed copy of the Louisiana Compliance Questionnaire or a signed copy of the State Data Collection Form as required.

Cause: The Interim Coroner did not feel comfortable taking responsibility for the prior Coroner's actions.

Effect: The Coroner is not in compliance with Louisiana State Law.

2013-09 Blue Lights on vehicles

Criteria: Louisiana Revised Statute 32:318 states all persons other than law enforcement officers on official duty are prohibited from equipping, operating, or using motor vehicles with blue colored electric lights thereon.

Condition: Currently, Coroner vehicles are equipped with blue colored electric lights.

Cause: The Coroner believes these lights help when they are called to an incident.

Effect: The Coroner is not in compliance with Louisiana State Law.

ST. TAMMANY PARISH CORONER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2013

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESS

2012-01 – Segregation of Duties Resolved

MATERIAL WEAKNESS

2012-02 – Unrecorded Liabilities Resolved

MATERIAL WEAKNESS

2012-03 – Accrual Accounting Resolved

MATERIAL WEAKNESS

2012-04 – Financial Statement Preparation Resolved

MATERIAL WEAKNESS

2012-05 – Governmental Accounting Resolved

MATERIAL WEAKNESS

2012-06 - Compensated Absences and Payroll Unresolved (See current year finding 2013-01)

SIGNIFICANT DEFICIENCY

2012-07 – Petty Cash Resolved

SIGNIFICANT DEFICIENCY

2012-08 Prepaid Insurance Unresolved (See current year finding 2013-04)

COMPLIANCE

2012-09 Budget Variance Unresolved (See current year finding 2013-05)

COMPLIANCE

2012-10 Budget Compliance Resolved

COMPLIANCE

2012-11 State Bid Compliance Resolved

COMPLIANCE and MATERIAL WEAKNESS

2012-12 Gas Cards Unresolved (See current year finding 2013-07)

COMPLIANCE

2012-13 Documentation of Expenditures Resolved

ST. TAMMANY PARISH CORONER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
For the Year Ended December 31, 2013

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS
(CONTINUED)**

COMPLIANCE

2012-14 Louisiana Compliance

**Questionnaire and State Data Collection
Form**

Unresolved (See current year finding 2013-08)

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR
FEDERAL AWARD PROGRAMS**

N/A.

SECTION III - MANAGEMENT LETTER

Bank Statement Review	Unresolved (current year comment (1))
Dual Signatures	Unresolved (current year comment (2))
Fixed Asset Policy	Unresolved (current year comment (3))
Fixed Asset Disposals	Unresolved (current year comment (4))
Related Party Transaction	Unresolved (current year comment (5))
Excess Car Wash Purchases	Resolved.
Access to CFO's Office	Resolved.
Large Cash Balance	Resolved.
Purchasing Policy	Unresolved (current year comment (6))
Access to Vehicle Keys	Unresolved (current year comment (7))
Review of Stale Receivables and Payables	Unresolved (current year comment (8))
Depreciable Lives of Capital Assets	Unresolved (current year comment (9))
Bid Law Compliance	Resolved.
Daily / Weekly Time	Unresolved (current year comment (10))
Current Allegations	Unresolved (current year comment (11))

ST. TAMMANY PARISH CORONER, LOUISIANA
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2013

FINDING 2013-01

Management's Response: Management is currently in the process of formulating and drafting a written policy surrounding compensated absences. Management is currently investigating options to try and recover excess funds that were distributed to an employee that overdrew sick and vacation pay. Management is currently investigating situations where two part time employees received benefits that they were not eligible to receive.

FINDING 2013-02

Management's Response: Management has implemented a Capital Assets policy and is currently in the process of addressing and correcting the internal controls over fixed assets and the errors as noted by the auditor's.

FINDING 2013-03

Management's Response: As directed, the Coroner's office has removed the cash balances from its assets.

FINDING 2013-04

Management's Response: Management is in the process of correcting the prepaid insurance balance.

FINDING 2013-05

Management's Response: Management will make the necessary changes in the preparation of the budget to account for the change in revenue recognition.

FINDING 2013-06

Management's Response: Management is still in negotiations with St Tammany Parish at the time of the audit submission.

FINDING 2013-07

Management's Response: Effective January 01, 2014 management implemented a vehicle log. Each vehicle has a fuel card. Each employee has a pin number which enables management to keep track of employees that are purchasing gas. When employees need to use a vehicle for Coroner business they sign the car out. Log keeps track of beginning and ending mileage. When the car is returned and checked back in, if they bought fuel for the vehicle the receipts are turned in and this is noted on the log. Receipts are used to reconcile monthly Fuelman Statements.

ST. TAMMANY PARISH CORONER, LOUISIANA
CORRECTIVE ACTION PLAN (CONTINUED)
For the Year Ended December 31, 2013

FINDING 2013-08

Management's Response: Management did not feel comfortable taking responsibility for the prior Coroner's actions.

FINDING 2013-09

Management's Response: Management is in the process of getting bids to remove the blue lights from the vehicles, and to replace the blue lights with white and red lights. This project will be completed as soon as possible.

ST. TAMMANY PARISH CORONER, LOUISIANA
MEMORANDUM OF ADVISORY COMMENTS
For the Year Ended December 31, 2013

ST. TAMMANY PARISH CORONER, LOUISIANA
MEMORANDUM OF ADVISORY COMMENTS
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For the Year Ended December 31, 2013

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April 25, 2014

To the Coroner
St. Tammany Parish Coroner, Louisiana
Lacombe, Louisiana

In planning and performing our audit of the financial statements of St. Tammany Parish Coroner (the "Coroner") as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Coroner's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coroner's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coroner's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated April 25, 2014, contains our report on significant deficiencies or material weaknesses in the Coroner's internal control. This letter does not affect our report dated April 25, 2014, on the financial statements of Coroner.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Coroner personnel, and we will be pleased to discuss them in further detail at your convenience or to perform any additional study of these matters.

Sincerely,

Carr, Riggs & Ingram, LLC

ST. TAMMANY PARISH CORONER, LOUISIANA
OBSERVATIONS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLANS
December 31, 2013

1. Bank Statement Review

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

During our walk through of the bank statement review, we were unable to verify that the Coroner's internal policies were being followed. The Coroner's policy states, "The Executive Director is to receive the monthly bank statements unopened directly from the bank and review them for any unusual deposits and disbursements activity. The Executive Director will ensure that all bank accounts are reconciled within 10 business days after the bank statements are received. The monthly bank reconciliation will be dated, signed, and maintained on file for subsequent review and audit." We were unable to verify that the Executive Director opened the bank statement prior to the bank reconciliation being performed. We were also unable to verify that the bank reconciliation was completed within 10 days and reviewed by the Executive Director.

Recommendation:

We recommend the Coroner amend the bank statement policy for current applicable positions.

Corrective Action Plan:

Management has reviewed the bank reconciliation policy and has revised the policy as of 04-23-14 in accordance with the auditor's recommendations.

2. Dual Signatures

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

We noted checks written by management required only one (1) signature, regardless of the dollar amount. This practice weakens the internal controls over cash by vesting complete disbursement authority to one (1) person.

Recommendation:

Management should consider developing a policy whereby checks written over a predetermined amount require two (2) signatures. Allowances within this policy could be made for normal and recurring disbursements that exceed the established dollar threshold limit.

Corrective Action Plan:

Management has implemented dual signatures for checks with a dollar threshold limit over \$5,000 as of 01-01-14 and has also implemented a disbursements policy as of 04-23-14.

ST. TAMMANY PARISH CORONER, LOUISIANA
OBSERVATIONS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLANS
(CONTINUED)
December 31, 2013

3. Fixed Asset Policy

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

At present, no formal fixed asset capitalization policy exists.

Recommendation:

We recommend management implement of a policy that would designate expenditures over a certain dollar value as capital expenditures that are to be recorded as depreciable fixed assets on the government wide financial statements. This will set a standard regarding the level of fixed assets that will need to be recorded as fixed assets with appropriate accounting treatment.

Corrective Action Plan:

Management has implemented a Capital Assets Policy as of 04-23-14 which designates that approved asset expenditures over \$5,000.00 will be capitalized as fixed assets.

4. Fixed Assets Disposals

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

We noted there is no policy for the disposal of fixed assets that are not vehicles. We noted numerous fixed assets that have been retired but are still on the fixed asset schedule.

Recommendation:

We recommend the implementation of a policy to ensure the reporting of fixed asset disposals should be adopted and should include the necessary level of approval before disposal occurs. This information should be reported to the Office Administrator on a timely basis. A simple standardized form could be developed to provide adequate accounting documentation and to provide evidence of adherence to the Coroner's policy which should include, but not limited to:

- Approvals;
- Disposal method (auction, landfill); and
- Selling price.

Corrective Action Plan:

Management has implemented a Capital Assets Policy as of 04-23-14 which addresses the entire auditor's recommendation concerning disposals of fixed assets including approvals, method of disposal and selling price.

ST. TAMMANY PARISH CORONER, LOUISIANA
OBSERVATIONS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLANS
(CONTINUED)
December 31, 2013

5. Related Party Transaction

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

During our testing, we noted a transaction with a related party. While this related party is not a technical violation of the Louisiana Code of Governmental Ethics it does conflict with the Coroner's current purchasing policy. The Coroner's purchasing policy states "Related party transactions are strictly prohibited (i.e. transactions with the immediate family or businesses related to the Coroner or Coroner's Office employee)".

Recommendation:

We recommend the Coroner's office adhere to their purchasing policy in regards to related party transactions.

Corrective Action Plan:

Management has elected to adhere to the existing purchasing policy for related party transactions which states that related party transactions are strictly prohibited.

6. Purchasing Policy

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

During our testing we noted the purchasing policy is not being followed. According to the Coroner's purchasing policy all purchases should have a purchased order prior to the purchase being made, a receiving report documenting the items received, an invoice, and finally approval by the appropriate personal.

Recommendation:

We adhere to their purchasing policy.

Corrective Action Plan:

Management has revised the purchasing policy and maintains that the policy has been adhered to since 01-01-14.

7. Access to Vehicle Keys

This observation is carried forward from prior year but updated for specific findings in the current year.

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Observation:

Keys to vehicles are left in a cabinet with no limitations on access.

Recommendation:

We recommend an employee be designated to keep all keys with them in a lock box. When an employee needs a vehicle for a business purpose, they should check the vehicle out with the designated employee by signing a check out log. The log should be periodically reviewed by the Office Administrator.

Corrective Action Plan:

Management has implemented a new vehicle key policy effective 04-23-14 which has addressed the auditor's recommended procedures.

8. Review of Stale Receivables and Payables

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

We noted several stale receivables and payables balances in the General fund that were greater than one year old.

Recommendation:

The Office Administrator as well as the Coroner should perform monthly reviews of outstanding receivables and payables and investigate unusual or old amounts.

Corrective Action Plan:

Stale receivables have been reviewed and written off according to the basis of a recent lawsuit of similar receivables. The outcome of the lawsuit determined that the receivables in question should be collected from the previous three years to current and any receivable older than three years should be written off as bad debt. (19th JDC NO 617948)

9. Depreciable Lives of Capital Assets

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

We noted a significant amount of fully depreciated assets are included in capital assets at year-end. This indicates that the asset lives used for recording depreciation for financial statement purposes are perhaps somewhat shorter than the actual useful life of the asset.

Recommendation:

We recommend that the Coroner review this area and make adjustments in useful lives as deemed necessary.

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Corrective Action Plan:

Management has implemented a Capital Assets policy on 04-23-14 and is in the process of updating the estimated useful lives of its assets in accordance with policy and auditor's recommendations.

10. Daily/Weekly Time

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

We noted during our testing that employees, with the exception of Investigators, do not complete time sheets nor sign in and out. In addition, we noted, there is no documented set work time for employees. Therefore, full time employees may be working different number of hours. Lastly, the number of required hours necessary to be considered full time is not defined.

Recommendation:

We recommend that the Coroner implement time sheets or purchase a biometric time clock to keep an accurate log of all employees' time. In addition, while all employees are on salary, we recommend that the Coroner determine what constitutes a full day of work by setting the number hours to be worked in a day.

Corrective Action Plan:

On 01-01-14, management implemented policy which included the auditor's recommendations.

11. Current Allegations

This observation is carried forward from prior year but updated for specific findings in the current year.

Observation:

Over the past year, there have been allegations accusing a Coroner employee of performing non-Coroner duties while on duty for the Coroner's office. Due to the limitation of information, there is no substantial way to determine the accuracy of the allegations.

Recommendation:

We recommend that all non-Coroner business be performed before or after Coroner working hours or that the employee utilizes paid time off for non-Coroner business. We recommend the Coroner establish working hours for each job position and that each employee sign acknowledging their working hours.

Corrective Action Plan:

Management has implemented auditor's recommendations from 01-01-14 and reviews documentation for adherence to the policy.

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12. Disaster Recovery

Observation:

The time to make contingency plans is before a disaster strikes, so that all personnel will be aware of their responsibilities in the event of an emergency situation that precludes the use of existing facilities.

Recommendation:

We recommend that management develop a disaster recovery plan that includes, but is not limited to:

- Location of and access to off-site storage of electronic data
- A backup location to continue operations in the event primary location(s) are inaccessible or damaged
- Responsibilities of various personnel in an emergency – i.e. who secures computer equipment and who must report to work
- Priority of critical operations and reporting requirements during emergency period - i.e. payroll processing, vendor payment, etc.

Corrective Action Plan:

Management is in the process of documenting the current procedures that are being followed for disaster recovery and which includes all the auditor's recommendation.

13. Records Retention Policy

Observation:

We noted the Coroner's office does not have a written records retention policy.

Recommendation:

We recommend the Coroner implement a retention policy applying Public Record Laws.

Corrective Action Plan:

Management is in the process of gathering the needed information to create and implement the records retention policy and submit it to the State Archives for approval.

14. 1099 Compliance

Observation:

We noted a contractor who received payments over \$600 for services rendered to the Coroner but did not receive a 1099.

Recommendation:

We recommend the Coroner follow the Department of Treasury Internal Revenues Service and issue 1099 for all contracts that met the applicable requirements.

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Corrective Action Plan:

Management has reviewed the process and has sent a 1099 subsequent to audit testing.